# GOVERNMENT OF INDIA
# COMMUNICATIONS AND INFORMATION TECHNOLOGY
# LOK SABHA

STARRED QUESTION NO:649
ANSWERED ON:07.05.2003
MISMANAGEMENT OF TELECOM STORES
VSM (RETD.) COL. CHOUDHARY

**Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:**

(a) whether the Government have taken note of mismanagement of stores and carelessness in disposal of obsolete and unserviceable stores worth crores of rupees lying in various store Depots for several years;

(b) if so, whether inordinate delay in their disposal results in theft, pilferage and loss;

(c) if so, the facts thereof;

(d) whether advance paid during March 2000 to suppliers to the tune of Rs. 357.65 crores remained unadjusted till March 2001;

(e) if so, whether responsibility has been fixed in this regard; and

(f) if so, the action taken/proposed to be taken by the Government in this regard?

## Answer

THE MINISTER FOR COMMUNICATIONS & INFORMATION TECHNOLOGY AND DISINVESTMENT (ARUN SHOURIE)

(a) to (f): A Statement is laid on the Table of the House.

STATEMENT TO BE LAID ON THE TABLE OF THE LOK SABHA IN REPSECT OF PARTS (a) TO (f) OF LOK SABHA STA QUESTION NO. 649 FOR 7TH MAY, 2003 REGARDING MISMANAGEMENT OF TELECOM STORES.

(a) The Government have taken note of some deficiencies in the management of Telecom Stores. Regarding disposal of obsolete and unserviceable stores, Government have issued detailed procedure/guidelines from time to time to bring about improvement in the management of stores. As on date, the amount of obsolete and unserviceable stores accumulated over so many years is less than 0.5 per cent of the total value of stores procured during this period.

(b) Due to the elaborate procedure that has to be followed for scrapping and disposal of obsolete and unserviceable stores, delays do take place that may some time lead to the risk of theft, pilferage and loss. During the last three years, obsolete and unserviceable stores worth Rs. 105.8 crore have been disposed off through approved Government agency Metal Scrap Trading Corporation (MSTC). Telecom Stores Circle has already initiated action for disposal of obsolete and unserviceable stores amounting to Rs. 25.41 crore lying in Wholesale Depots through the same approved agency.

(c) Reports received from field units indicate that amount involved in such cases is very small as compared to total value of stores transacted.

(d) No, Sir. The words `Advance Payment to Contractors (APC)` are used for accounting purposes only.Provisional payment of 90%/95% as per the terms and conditions of the purchase order was being made to suppliers on submission of proof of despatch of stores/provisional receipt. This amount shown unadjusted under the head APC (representing 90%/95% provisional payment) was being cleared only after settlement of the balance 10%/5% amount on receipt of Bill Copy Payable Challan (BCPC).The BCPC is the proof of actual receipt of materials after verification of contents.

(e) Since the provisional payment was being made only after proof of despatch of goods/provisional receipt strictly as per terms and conditions of purchase order, no impropriety was committed. Therefore, the question of fixing of responsibility does not arise.

(f) A massive drive was launched in 2000 to clear the unadjusted amount under the head `APC` of the major suppliers i.e. M/s ITI, M/s HCL, M/s HTL (Central PSUs). As a result, accumulated unadjusted amount under the head `APC` came down from Rs. 613 Crore as on 1st April, 2000 to Rs. 357.65 crore in March, 2001 and further to Rs. 228.09 crore as on date.The matter is being constantly pursued with all concerned and the unadjusted amount under the head `Advance payment to Contractors` (APC) is likely to come down further in the coming months. The procedure has since been modified and now the expenditure is not being booked under the head `APC`.

The payments are now being made only after receipt of BCPC, which is the proof of actual receipt of materials after verification of contents and not against the proof of despatch/provisional receipt.

Besides, the system of stocking of stores in wholesale store depots has since been dispensed with.